



# **CITY OF SANTA BARBARA**

## **COUNCIL AGENDA REPORT**

**AGENDA DATE:** May 19, 2009

**TO:** Mayor and Councilmembers

**FROM:** Accounting Division, Finance Department

**SUBJECT:** Fiscal Year 2009 Third Quarter Review

**RECOMMENDATION:** That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2009; and
- B. Accept the Fiscal Year 2009 Interim Financial Statements for the Nine Months Ended March 31, 2009.

### **EXECUTIVE SUMMARY:**

Each month, staff presents the interim financial statements (Attachment 2) showing the progress of revenues and expenditures in relation to budget for the City's General Fund, Enterprise Funds, Internal Service Funds, and select Special Revenue Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in the attached interim financial statements (Attachment 1).

A few years ago Finance Department staff began presenting a report to Council on the third quarter results of operations. This report incorporates analysis of account balances and explanations of unusual and/or significant trends or variances from the year-to-date (YTD) budget. Any known needs for additional appropriations are also presented to Council in the third quarter review. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2008. There are no proposed budget adjustments at March 31, 2009.

This review is the last formal presentation of interim financial results that Finance Department staff will make to Council before the end of the fiscal year. The fourth quarter review will report on actual results for the year and will be presented after the close of this fiscal year.

**ATTACHMENTS:**    1. Summary by Fund Statement of Revenues and Expenditures  
                              for the Nine Months Ended March 31, 2009  
                              2. Interim Financial Statements for the Nine Months Ended  
                              March 31, 2009 (Narrative Analysis)

**PREPARED BY:**     Rudolf J. Livingston, Accounting Manager

**SUBMITTED BY:**   Robert D. Peirson, Finance Director

**APPROVED BY:**    City Administrator's Office

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenditures**  
**Summary by Fund**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>GENERAL FUND</b>					
Revenue	108,222,301	73,150,822	-	35,071,480	67.6%
Expenditures	110,829,125	79,701,780	1,477,984	29,649,361	73.2%
<i>Addition to / (use of) reserves</i>	<u>(2,606,823)</u>	<u>(6,550,959)</u>	<u>(1,477,984)</u>		
<b>WATER OPERATING FUND</b>					
Revenue	32,643,840	25,391,849	-	7,251,990	77.8%
Expenditures	36,343,207	25,133,412	1,837,985	9,371,810	74.2%
<i>Addition to / (use of) reserves</i>	<u>(3,699,367)</u>	<u>258,437</u>	<u>(1,837,985)</u>		
<b>WASTEWATER OPERATING FUND</b>					
Revenue	14,975,942	11,365,270	-	3,610,672	75.9%
Expenditures	15,406,773	10,030,844	1,054,425	4,321,505	72.0%
<i>Addition to / (use of) reserves</i>	<u>(430,831)</u>	<u>1,334,426</u>	<u>(1,054,425)</u>		
<b>DOWNTOWN PARKING</b>					
Revenue	7,484,980	5,071,325	-	2,413,655	67.8%
Expenditures	6,676,751	4,402,315	1,702,916	571,521	91.4%
<i>Addition to / (use of) reserves</i>	<u>808,229</u>	<u>669,010</u>	<u>(1,702,916)</u>		
<b>AIRPORT OPERATING FUND</b>					
Revenue	12,892,002	9,910,201	-	2,981,801	76.9%
Expenditures	15,310,907	10,595,963	591,326	4,123,618	73.1%
<i>Addition to / (use of) reserves</i>	<u>(2,418,905)</u>	<u>(685,762)</u>	<u>(591,326)</u>		
<b>GOLF COURSE FUND</b>					
Revenue	2,695,570	1,954,276	-	741,294	72.5%
Expenditures	3,349,846	2,186,973	171,136	991,737	70.4%
<i>Addition to / (use of) reserves</i>	<u>(654,276)</u>	<u>(232,698)</u>	<u>(171,136)</u>		
<b>INTRA-CITY SERVICE FUND</b>					
Revenue	5,704,141	4,029,452	-	1,674,689	70.6%
Expenditures	6,240,557	3,779,429	639,333	1,821,794	70.8%
<i>Addition to / (use of) reserves</i>	<u>(536,416)</u>	<u>250,022</u>	<u>(639,333)</u>		

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenditures**  
**Summary by Fund**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
<b>ICS EQUIPMENT REPLACEMENT FUND</b>					
Revenue	2,347,673	1,893,844	-	453,829	80.7%
Expenditures	4,017,755	1,094,615	1,038,777	1,884,363	53.1%
<i>Addition to / (use of) reserves</i>	<u>(1,670,082)</u>	<u>799,229</u>	<u>(1,038,777)</u>		
<b>SELF INSURANCE TRUST FUND</b>					
Revenue	5,958,769	5,606,620	-	352,149	94.1%
Expenditures	9,062,830	5,106,515	212,904	3,743,410	58.7%
<i>Addition to / (use of) reserves</i>	<u>(3,104,061)</u>	<u>500,105</u>	<u>(212,904)</u>		
<b>INFORMATION SYSTEMS ICS FUND</b>					
Revenue	2,546,684	1,949,584	-	597,100	76.6%
Expenditures	2,868,065	1,884,885	265,116	718,064	75.0%
<i>Addition to / (use of) reserves</i>	<u>(321,381)</u>	<u>64,699</u>	<u>(265,116)</u>		
<b>WATERFRONT FUND</b>					
Revenue	11,548,876	8,498,796	-	3,050,080	73.6%
Expenditures	12,168,847	8,251,550	457,543	3,459,753	71.6%
<i>Addition to / (use of) reserves</i>	<u>(619,971)</u>	<u>247,245</u>	<u>(457,543)</u>		
<b>TOTAL FOR ALL FUNDS</b>					
Revenue	207,020,778	148,822,038	-	58,198,740	71.9%
Expenditures	222,274,663	152,168,283	9,449,445	60,656,935	72.7%
<i>Addition to / (use of) reserves</i>	<u>(15,253,885)</u>	<u>(3,346,245)</u>	<u>(9,449,445)</u>		

**\*\* It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.**

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Budgeted and Actual Revenues**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Remaining Balance</b>	<b>Percent Received</b>	<b>Previous YTD</b>
<b>TAXES</b>					
Sales and Use	19,206,432	13,361,504	5,844,928	69.6%	14,611,743
Property Taxes	23,165,295	12,892,638	10,272,657	55.7%	12,426,020
Utility Users Tax	7,129,923	5,176,339	1,953,584	72.6%	5,054,183
Transient Occupancy Tax	12,785,113	9,658,201	3,126,912	75.5%	9,845,558
Franchise Fees	2,937,139	2,234,116	703,023	76.1%	2,020,759
Business License	2,258,500	1,829,772	428,728	81.0%	1,798,094
Real Property Transfer Tax	333,592	222,163	111,429	66.6%	391,335
<i>Total</i>	<u>67,815,994</u>	<u>45,374,733</u>	<u>22,441,261</u>	<u>66.9%</u>	<u>46,147,692</u>
<b>LICENSES &amp; PERMITS</b>					
Licenses & Permits	128,995	136,007	(7,012)	105.4%	108,916
<i>Total</i>	<u>128,995</u>	<u>136,007</u>	<u>(7,012)</u>	<u>105.4%</u>	<u>108,916</u>
<b>FINES &amp; FORFEITURES</b>					
Parking Violations	2,353,937	1,786,067	567,870	75.9%	1,776,080
Library Fines	145,000	80,492	64,508	55.5%	97,474
Municipal Court Fines	148,000	117,682	30,318	79.5%	111,170
<i>Total</i>	<u>2,646,937</u>	<u>1,984,241</u>	<u>662,696</u>	<u>75.0%</u>	<u>1,984,724</u>
<b>USE OF MONEY &amp; PROPERTY</b>					
Investment Income	1,514,026	1,058,844	455,182	69.9%	1,306,836
Rents & Concessions	406,666	309,067	97,599	76.0%	324,188
<i>Total</i>	<u>1,920,692</u>	<u>1,367,912</u>	<u>552,780</u>	<u>71.2%</u>	<u>1,631,024</u>
<b>INTERGOVERNMENTAL</b>					
Grants	1,974,758	2,177,977	(203,219)	110.3%	2,179,183
Vehicle License Fees	338,074	196,037	142,037	58.0%	322,687
<i>Total</i>	<u>2,312,832</u>	<u>2,374,015</u>	<u>(61,183)</u>	<u>102.6%</u>	<u>2,501,870</u>
<b>FEES &amp; SERVICE CHARGES</b>					
Finance	858,930	617,074	241,856	71.8%	596,982
Community Development	4,475,017	3,306,572	1,168,445	73.9%	3,439,730
Recreation	2,555,665	1,603,121	952,544	62.7%	1,529,361
Public Safety	433,055	267,919	165,136	61.9%	219,085
Public Works	4,220,897	3,209,037	1,011,860	76.0%	3,446,032
Library	782,082	738,951	43,131	94.5%	729,146
Reimbursements	5,236,450	3,762,126	1,474,324	71.8%	3,683,901
<i>Total</i>	<u>18,562,096</u>	<u>13,504,800</u>	<u>5,057,296</u>	<u>72.8%</u>	<u>13,644,237</u>
<b>OTHER MISCELLANEOUS REVENUES</b>					
Miscellaneous	3,178,185	2,603,149	575,037	81.9%	1,064,960
Indirect Allocations	6,478,919	4,885,940	1,592,979	75.4%	4,680,149
Operating Transfers-In	5,177,651	920,026	4,257,625	17.8%	348,564
<i>Total</i>	<u>14,834,755</u>	<u>8,409,114</u>	<u>6,425,641</u>	<u>56.7%</u>	<u>6,093,673</u>
<b>TOTAL REVENUES</b>	<u>108,222,301</u>	<u>73,150,822</u>	<u>35,071,480</u>	<u>67.6%</u>	<u>72,112,136</u>

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
<b>GENERAL GOVERNMENT</b>						
<u>Mayor &amp; City Council</u>						
MAYOR	857,792	597,427	758	259,607	69.7%	
<i>Total</i>	<u>857,792</u>	<u>597,427</u>	<u>758</u>	<u>259,607</u>	69.7%	<u>591,111</u>
<u>City Attorney</u>						
CITY ATTORNEY	2,230,025	1,579,788	-	650,237	70.8%	
<i>Total</i>	<u>2,230,025</u>	<u>1,579,788</u>	<u>-</u>	<u>650,237</u>	70.8%	<u>1,531,345</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,506,079	1,068,087	10,537	427,455	71.6%	
LABOR RELATIONS	289,415	163,186	33,851	92,378	68.1%	
CITY TV	528,509	374,996	19,354	134,159	74.6%	
<i>Total</i>	<u>2,324,004</u>	<u>1,606,269</u>	<u>63,743</u>	<u>653,992</u>	71.9%	<u>1,581,318</u>
<u>Administrative Services</u>						
CITY CLERK	625,160	396,845	21,024	207,291	66.8%	
HUMAN RESOURCES	1,315,794	884,986	25,349	405,459	69.2%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	279,334	155,145	-	124,189	55.5%	
<i>Total</i>	<u>2,220,288</u>	<u>1,436,976</u>	<u>46,373</u>	<u>736,939</u>	66.8%	<u>1,725,881</u>
<u>Finance</u>						
ADMINISTRATION	820,053	567,737	15,317	237,000	71.1%	
TREASURY	443,154	315,932	-	127,223	71.3%	
CASHIERING & COLLECTION	359,549	227,601	-	131,948	63.3%	
LICENSES & PERMITS	545,422	394,803	1,440	149,179	72.6%	
BUDGET MANAGEMENT	446,158	252,758	-	193,400	56.7%	
ACCOUNTING	577,684	326,829	57,322	193,533	66.5%	
PAYROLL	290,216	205,879	6,966	77,371	73.3%	
ACCOUNTS PAYABLE	220,571	163,546	-	57,025	74.1%	
CITY BILLING & CUSTOMER SERVICE	566,683	415,029	-	151,654	73.2%	
PURCHASING	665,581	476,513	862	188,206	71.7%	
CENTRAL STORES	201,854	150,587	-	51,267	74.6%	
MAIL SERVICES	102,166	72,724	3,424	26,017	74.5%	
<i>Total</i>	<u>5,239,090</u>	<u>3,570,513</u>	<u>85,330</u>	<u>1,583,247</u>	69.8%	<u>3,316,680</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>12,871,199</u>	<u>8,790,974</u>	<u>196,204</u>	<u>3,884,022</u>	69.8%	<u>8,746,335</u>
<b>PUBLIC SAFETY</b>						
<u>Police</u>						
CHIEF'S STAFF	1,490,492	1,016,811	-	473,681	68.2%	
SUPPORT SERVICES	564,190	431,738	2,945	129,508	77.0%	
RECORDS	1,405,560	986,600	14,145	404,815	71.2%	
COMMUNITY SVCS	1,064,540	916,420	7,344	140,776	86.8%	
CRIME ANALYSIS	94,472	64,198	-	30,274	68.0%	
PROPERTY ROOM	124,389	104,425	289	19,676	84.2%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>** Remaining Balance</b>	<b>YTD Expended and Encumbered</b>	<b>Previous YTD</b>
<b>PUBLIC SAFETY</b>						
<u>Police</u>						
TRNG/RECRUITMENT	448,504	280,122	2,085	166,297	62.9%	
RANGE	976,214	737,897	24,969	213,349	78.1%	
BEAT COORDINATORS	896,729	621,153	-	275,576	69.3%	
INFORMATION TECHNOLOGY	1,146,901	900,515	13,521	232,866	79.7%	
INVESTIGATIVE DIVISION	4,690,801	3,584,270	5,226	1,101,305	76.5%	
CRIME LAB	215,166	163,819	-	51,347	76.1%	
PATROL DIVISION	12,615,285	9,411,477	63,156	3,140,652	75.1%	
TRAFFIC	1,201,073	938,475	1,391	261,207	78.3%	
SPECIAL EVENTS	817,819	986,491	-	(168,672)	120.6%	
TACTICAL PATROL FORCE	1,038,682	793,417	-	245,265	76.4%	
STREET SWEEPING ENFORCEMENT	258,157	182,478	-	75,679	70.7%	
NIGHT LIFE ENFORCEMENT	440,911	320,462	-	120,449	72.7%	
PARKING ENFORCEMENT	1,044,119	646,214	16,496	381,409	63.5%	
CCC	2,318,346	1,538,876	1	779,469	66.4%	
ANIMAL CONTROL	610,568	434,967	-	175,601	71.2%	
<i>Total</i>	<u>33,462,918</u>	<u>25,061,729</u>	<u>151,567</u>	<u>8,249,622</u>	<u>75.3%</u>	<u>23,764,930</u>
<u>Fire</u>						
ADMINISTRATION	1,144,283	850,766	2,637	290,881	74.6%	
EMERGENCY SERVICES AND PUBLIC ED	364,075	220,435	8,863	134,777	63.0%	
PREVENTION	1,188,379	836,158	1,858	350,363	70.5%	
WILDLAND FIRE MITIGATION PROGRAM	188,738	119,111	6,354	63,272	66.5%	
OPERATIONS	16,865,459	12,462,356	109,924	4,293,178	74.5%	
ARFF	1,520,279	1,151,207	-	369,072	75.7%	
<i>Total</i>	<u>21,271,213</u>	<u>15,640,151</u>	<u>129,636</u>	<u>5,501,426</u>	<u>74.1%</u>	<u>15,089,883</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>54,734,131</u>	<u>40,701,880</u>	<u>281,203</u>	<u>13,751,048</u>	<u>74.9%</u>	<u>38,854,813</u>
<b>PUBLIC WORKS</b>						
<u>Public Works</u>						
ADMINISTRATION	885,393	619,706	23,049	242,637	72.6%	
ENGINEERING SVCS	4,265,505	3,017,599	31,204	1,216,702	71.5%	
PUBLIC RT OF WAY MGMT	1,449,021	950,482	16,306	482,233	66.7%	
ENVIRONMENTAL PROGRAMS	634,286	328,794	75,625	229,867	63.8%	
<i>Total</i>	<u>7,234,204</u>	<u>4,916,581</u>	<u>146,184</u>	<u>2,171,439</u>	<u>70.0%</u>	<u>4,794,576</u>
<b>TOTAL PUBLIC WORKS</b>	<u>7,234,204</u>	<u>4,916,581</u>	<u>146,184</u>	<u>2,171,439</u>	<u>70.0%</u>	<u>4,794,576</u>
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
PRGM MGMT & BUS SVCS	483,494	366,398	-	117,096	75.8%	
FACILITIES	467,880	315,163	5,287	147,429	68.5%	
CULTURAL ARTS	574,265	429,309	18,631	126,326	78.0%	
YOUTH ACTIVITIES	1,190,773	872,467	10,163	308,142	74.1%	

**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>** Remaining Balance</b>	<b>YTD Expended and Encumbered</b>	<b>Previous YTD</b>
<b>COMMUNITY SERVICES</b>						
<u>Parks &amp; Recreation</u>						
TEEN PROGRAMS	395,140	279,657	1,409	114,074	71.1%	
SR CITIZENS	828,181	605,279	279	222,623	73.1%	
AQUATICS	1,178,393	882,407	29,926	266,060	77.4%	
SPORTS	468,991	344,603	4,060	120,328	74.3%	
TENNIS	316,401	233,283	-	83,118	73.7%	
WESTSIDE CENTER	1,050,645	741,789	1,492	307,364	70.7%	
ADMINISTRATION	580,032	425,225	-	154,807	73.3%	
PROJECT MANAGEMENT TEAM	356,737	258,378	-	98,359	72.4%	
BUSINESS SERVICES	523,482	360,280	39,248	123,954	76.3%	
FACILITY & PROJECT MGT	1,152,688	840,977	3,063	308,648	73.2%	
GROUND MANAGEMENT	5,003,317	3,262,985	268,421	1,471,911	70.6%	
FORESTRY	1,293,497	850,628	79,310	363,559	71.9%	
BEACH MAINTENANCE	192,023	119,059	18,822	54,143	71.8%	
<i>Total</i>	<u>16,055,940</u>	<u>11,188,548</u>	<u>480,110</u>	<u>4,387,282</u>	<u>72.7%</u>	<u>10,739,632</u>
<u>Library</u>						
ADMINISTRATION	455,273	350,408	-	104,865	77.0%	
PUBLIC SERVICES	2,495,297	1,713,141	16,321	765,835	69.3%	
SUPPORT SERVICES	1,666,715	1,209,827	24,918	431,969	74.1%	
<i>Total</i>	<u>4,617,285</u>	<u>3,273,376</u>	<u>41,239</u>	<u>1,302,670</u>	<u>71.8%</u>	<u>3,092,337</u>
<b>TOTAL COMMUNITY SERVICES</b>	<u>20,673,224</u>	<u>14,461,923</u>	<u>521,350</u>	<u>5,689,951</u>	<u>72.5%</u>	<u>13,831,969</u>
<b>COMMUNITY DEVELOPMENT</b>						
<u>Community Development</u>						
ADMINISTRATION	493,605	355,636	320	137,649	72.1%	
ECON DEV	95,801	66,995	4,491	24,316	74.6%	
CITY ARTS ADVISORY PROGRAM	590,047	557,035	-	33,012	94.4%	
HUMAN SVCS	817,930	596,455	205,385	16,089	98.0%	
RDA	817,712	547,415	-	270,297	66.9%	
RDA HSG DEV	698,768	508,103	-	190,665	72.7%	
LR PLANNING/STUDIES	775,787	526,197	222	249,368	67.9%	
DEV & DESIGN REVIEW	1,222,228	855,080	34,737	332,412	72.8%	
ZONING	915,314	654,479	526	260,308	71.6%	
DESIGN REV & HIST PRESERVATN	1,071,992	724,790	46,731	300,471	72.0%	
SHO/ENVIRON REVIEW/TRAINING	781,891	548,904	4,718	228,269	70.8%	
BLDG PERMITS	1,171,075	828,918	1,745	340,412	70.9%	
RECORDS & ARCHIVES	622,223	427,050	17,104	178,068	71.4%	
PLAN CK & COUNTER SRV	1,422,127	929,063	17,064	476,000	66.5%	
<i>Total</i>	<u>11,496,500</u>	<u>8,126,120</u>	<u>333,043</u>	<u>3,037,336</u>	<u>73.6%</u>	<u>7,748,541</u>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<u>11,496,500</u>	<u>8,126,120</u>	<u>333,043</u>	<u>3,037,336</u>	<u>73.6%</u>	<u>7,748,541</u>



**CITY OF SANTA BARBARA**  
**General Fund**  
**Interim Statement of Appropriations, Expenditures and Encumbrances**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>** Remaining Balance</b>	<b>YTD Expended and Encumbered</b>	<b>Previous YTD</b>
<b>NON-DEPARTMENTAL</b>						
<u>Non-Departmental</u>						
COMMUNITY PROMOTIONS	1,783,071	1,379,466	-	403,605	77.4%	
SPECIAL PROJECTS	42,220	33,083	-	9,137	78.4%	
TRANSFERS OUT	43,500	43,500	-	-	100.0%	
DEBT SERVICE TRANSFERS	355,945	326,667	-	29,278	91.8%	
CAPITAL OUTLAY TRANSFER	894,352	921,585	-	(27,233)	103.0%	
APPROP. RESERVE	700,777	-	-	700,777	0.0%	
<i>Total</i>	<u>3,819,865</u>	<u>2,704,301</u>	<u>-</u>	<u>1,115,564</u>	<u>70.8%</u>	<u>3,297,489</u>
<b>TOTAL NON-DEPARTMENTAL</b>	<u>3,819,865</u>	<u>2,704,301</u>	<u>-</u>	<u>1,115,564</u>	<u>70.8%</u>	<u>3,297,489</u>
<b>TOTAL EXPENDITURES</b>	<u>110,829,125</u>	<u>79,701,780</u>	<u>1,477,984</u>	<u>29,649,361</u>	<u>73.2%</u>	<u>77,273,723</u>

*\*\* The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

*For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.*

**CITY OF SANTA BARBARA**  
**Special Revenue Funds**  
**Interim Statement of Revenues and Expenditures**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>
<b>TRAFFIC SAFETY FUND</b>					
Revenue	513,000	371,638	-	141,362	72.4%
Expenditures	513,000	371,638	-	141,362	72.4%
<i>Revenue Less Expenditures</i>	-	-	-	-	
<b>CREEK RESTORATION/WATER QUALITY IMPRVMT</b>					
Revenue	2,953,769	2,217,058	-	736,711	75.1%
Expenditures	3,125,118	1,842,498	221,828	1,060,792	66.1%
<i>Revenue Less Expenditures</i>	(171,349)	374,559	(221,828)	(324,080)	
<b>SOLID WASTE PROGRAM</b>					
Revenue	17,522,051	13,090,035	-	4,432,016	74.7%
Expenditures	17,679,913	12,835,456	127,230	4,717,227	73.3%
<i>Revenue Less Expenditures</i>	(157,862)	254,579	(127,230)	(285,211)	
<b>COMM.DEVELOPMENT BLOCK GRANT</b>					
Revenue	2,555,943	940,781	-	1,615,162	36.8%
Expenditures	2,555,943	606,983	348,407	1,600,553	37.4%
<i>Revenue Less Expenditures</i>	-	333,798	(348,407)	14,609	
<b>COUNTY LIBRARY</b>					
Revenue	1,877,220	1,273,025	-	604,195	67.8%
Expenditures	1,893,738	1,276,766	24,336	592,636	68.7%
<i>Revenue Less Expenditures</i>	(16,518)	(3,741)	(24,336)	11,559	
<b>STREETS FUND</b>					
Revenue	9,994,205	6,999,042	-	2,995,164	70.0%
Expenditures	14,667,871	7,452,581	1,624,180	5,591,111	61.9%
<i>Revenue Less Expenditures</i>	(4,673,666)	(453,539)	(1,624,180)	(2,595,947)	
<b>MEASURE "D"</b>					
Revenue	5,186,919	3,154,586	-	2,032,333	60.8%
Expenditures	8,270,484	2,717,999	1,632,195	3,920,290	52.6%
<i>Revenue Less Expenditures</i>	(3,083,565)	436,587	(1,632,195)	(1,887,957)	

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**WATER OPERATING FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Water Sales - Metered	28,462,500	21,748,235	-	6,714,265	76.4%	21,690,627
Service Charges	499,392	271,026	-	228,366	54.3%	349,975
Cater JPA Treatment Charges	1,700,000	1,957,553	-	(257,553)	115.2%	1,477,026
Investment Income	1,285,000	1,200,422	-	84,578	93.4%	1,242,183
Grants	56,098	-	-	56,098	0.0%	-
Reimbursements	18,000	-	-	18,000	0.0%	-
Miscellaneous	622,850	214,614	-	408,236	34.5%	112,369
<b>TOTAL REVENUES</b>	<b>32,643,840</b>	<b>25,391,849</b>	<b>-</b>	<b>7,251,990</b>	<b>77.8%</b>	<b>24,872,180</b>
<b>EXPENSES</b>						
Salaries & Benefits	7,244,664	4,993,193	-	2,251,471	68.9%	4,818,768
Materials, Supplies & Services	8,243,491	5,206,086	1,646,301	1,391,104	83.1%	4,565,235
Special Projects	287,651	61,280	20,632	205,740	28.5%	54,764
Water Purchases	7,518,586	5,634,057	133,101	1,751,427	76.7%	5,621,958
Debt Service	4,759,271	3,379,847	-	1,379,424	71.0%	3,165,950
Capital Outlay Transfers	7,855,039	5,814,023	-	2,041,016	74.0%	4,847,890
Equipment	163,824	6,923	35,402	121,499	25.8%	37,229
Capitalized Fixed Assets	114,980	17,674	2,549	94,757	17.6%	33,390
Other	5,700	20,328	-	(14,628)	356.6%	5,039
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>36,343,207</b>	<b>25,133,412</b>	<b>1,837,985</b>	<b>9,371,810</b>	<b>74.2%</b>	<b>23,150,221</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**WASTEWATER OPERATING FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Service Charges	13,452,500	10,100,052	-	3,352,448	75.1%	9,622,844
Fees	519,515	398,437	-	121,078	76.7%	438,652
Investment Income	480,000	404,341	-	75,659	84.2%	453,459
Miscellaneous	173,927	112,440	-	61,487	64.6%	10,418
Operating Transfers-In	350,000	350,000	-	-	100.0%	-
<b>TOTAL REVENUES</b>	<u>14,975,942</u>	<u>11,365,270</u>	<u>-</u>	<u>3,610,672</u>	<u>75.9%</u>	<u>10,525,373</u>
<b>EXPENSES</b>						
Salaries & Benefits	5,002,852	3,477,938	-	1,524,914	69.5%	3,381,292
Materials, Supplies & Services	5,651,183	3,670,916	946,266	1,034,001	81.7%	3,634,496
Special Projects	915,217	829,165	93,184	(7,133)	100.8%	513,707
Debt Service	1,355,548	390,277	-	965,271	28.8%	359,145
Capital Outlay Transfers	2,242,107	1,638,673	-	603,434	73.1%	1,551,464
Equipment	31,432	8,479	10,041	12,912	58.9%	33,771
Capitalized Fixed Assets	58,435	15,394	4,934	38,106	34.8%	27,632
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>15,406,773</u>	<u>10,030,844</u>	<u>1,054,425</u>	<u>4,321,505</u>	<u>72.0%</u>	<u>9,501,506</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**  
**DOWNTOWN PARKING**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Improvement Tax	880,000	652,033	-	227,967	74.1%	666,035
Parking Fees	6,145,000	4,041,586	-	2,103,414	65.8%	4,330,380
Investment Income	325,000	256,743	-	68,257	79.0%	279,874
Miscellaneous	91,480	77,463	-	14,017	84.7%	2,228
Operating Transfers-In	43,500	43,500	-	-	100.0%	36,420
<b>TOTAL REVENUES</b>	<u>7,484,980</u>	<u>5,071,325</u>	<u>-</u>	<u>2,413,655</u>	<u>67.8%</u>	<u>5,314,937</u>
<b>EXPENSES</b>						
Salaries & Benefits	3,624,380	2,624,487	-	999,893	72.4%	2,444,523
Materials, Supplies & Services	2,031,789	1,284,700	134,761	612,328	69.9%	1,325,574
Special Projects	886,504	483,177	384,255	19,072	97.8%	523,294
Capital Outlay Transfers	34,078	2,672	-	31,406	7.8%	9,523
Equipment	40,000	332	2,800	36,868	7.8%	-
Capitalized Fixed Assets	-	6,947	1,181,100	(1,188,047)	100.0%	315,228
Appropriated Reserve	60,000	-	-	60,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>6,676,751</u>	<u>4,402,315</u>	<u>1,702,916</u>	<u>571,521</u>	<u>91.4%</u>	<u>4,618,142</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**  
**AIRPORT OPERATING FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Leases - Commercial / Industrial	4,071,450	3,213,138	-	858,312	78.9%	3,112,836
Leases - Terminal	5,029,702	3,529,587	-	1,500,115	70.2%	3,759,845
Leases - Non-Commerical Aviation	1,168,600	900,025	-	268,575	77.0%	912,290
Leases - Commerical Aviation	1,955,000	1,670,465	-	284,535	85.4%	1,697,331
Investment Income	413,000	390,135	-	22,865	94.5%	400,581
Miscellaneous	254,250	206,852	-	47,398	81.4%	122,259
<b>TOTAL REVENUES</b>	<b>12,892,002</b>	<b>9,910,201</b>	<b>-</b>	<b>2,981,801</b>	<b>76.9%</b>	<b>10,005,142</b>
<b>EXPENSES</b>						
Salaries & Benefits	4,880,629	3,390,215	-	1,490,414	69.5%	3,260,939
Materials, Supplies & Services	6,996,243	4,796,724	571,350	1,628,170	76.7%	4,628,456
Special Projects	770,150	380,364	-	389,786	49.4%	374,468
Transfers-Out	-	-	-	-	100.0%	70,561
Capital Outlay Transfers	2,447,427	1,954,037	-	493,390	79.8%	2,316,342
Equipment	128,728	35,715	19,977	73,037	43.3%	65,197
Capitalized Fixed Assets	38,900	38,909	-	(9)	100.0%	112,895
Appropriated Reserve	48,831	-	-	48,831	0.0%	-
<b>TOTAL EXPENSES</b>	<b>15,310,907</b>	<b>10,595,963</b>	<b>591,326</b>	<b>4,123,618</b>	<b>73.1%</b>	<b>10,828,858</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**GOLF COURSE FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Fees & Card Sales	2,003,600	1,336,638	-	666,962	66.7%	1,371,643
Investment Income	35,000	32,299	-	2,701	92.3%	42,554
Rents & Concessions	285,000	210,207	-	74,793	73.8%	218,296
Miscellaneous	371,970	375,132	-	(3,162)	100.8%	2,339
<b>TOTAL REVENUES</b>	<u>2,695,570</u>	<u>1,954,276</u>	<u>-</u>	<u>741,294</u>	<u>72.5%</u>	<u>1,634,832</u>
<b>EXPENSES</b>						
Salaries & Benefits	1,204,819	869,746	-	335,073	72.2%	833,745
Materials, Supplies & Services	704,468	507,126	125,399	71,943	89.8%	499,818
Special Projects	69,117	37,580	26,879	4,658	93.3%	6,345
Debt Service	184,379	184,212	-	167	99.9%	183,309
Capital Outlay Transfers	17,070	1,069	-	16,001	6.3%	4,416
Equipment	8,400	600	-	7,800	7.1%	1,364
Capitalized Fixed Assets	1,161,594	586,640	18,859	556,094	52.1%	51,817
<b>TOTAL EXPENSES</b>	<u>3,349,846</u>	<u>2,186,973</u>	<u>171,136</u>	<u>991,737</u>	<u>70.4%</u>	<u>1,580,814</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**INTRA-CITY SERVICE FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Work Orders - Bldg Maint.	3,840,056	2,628,666	-	1,211,390	68.5%	2,856,814
Service Charges	1,799,291	1,334,582	-	464,709	74.2%	1,311,298
Miscellaneous	64,794	66,204	-	(1,410)	102.2%	20,036
<b>TOTAL REVENUES</b>	<u>5,704,141</u>	<u>4,029,452</u>	<u>-</u>	<u>1,674,689</u>	<u>70.6%</u>	<u>4,188,148</u>
<b>EXPENSES</b>						
Salaries & Benefits	3,293,273	2,233,972	-	1,059,301	67.8%	2,946,650
Materials, Supplies & Services	867,212	648,551	232,855	(14,195)	101.6%	1,456,077
Special Projects	1,850,050	861,904	403,425	584,721	68.4%	882,970
Transfers-Out	114,425	-	-	114,425	0.0%	-
Capital Outlay Transfers	1,603	1,603	-	-	100.0%	2,389
Equipment	8,000	1,535	-	6,465	19.2%	48,090
Capitalized Fixed Assets	95,994	31,865	3,053	61,076	36.4%	151,526
Appropriated Reserve	10,000	-	-	10,000	0.0%	-
<b>TOTAL EXPENSES</b>	<u>6,240,557</u>	<u>3,779,429</u>	<u>639,333</u>	<u>1,821,794</u>	<u>70.8%</u>	<u>5,487,702</u>



**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**ICS EQUIPMENT REPLACEMENT FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Vehicle Rental Charges	1,852,299	1,389,224	-	463,075	75.0%	1,562,768
Investment Income	225,000	217,301	-	7,699	96.6%	217,993
Rents & Concessions	268,241	201,181	-	67,060	75.0%	158,412
Miscellaneous	2,133	86,139	-	(84,006)	4038.4%	20,331
<b>TOTAL REVENUES</b>	<u>2,347,673</u>	<u>1,893,844</u>	<u>-</u>	<u>453,829</u>	<u>80.7%</u>	<u>1,959,504</u>
<b>EXPENSES</b>						
Salaries & Benefits	123,004	85,325	-	37,679	69.4%	77,455
Materials, Supplies & Services	1,097	1,573	-	(476)	143.4%	1,656
Transfers-Out	75,965	-	-	75,965	0.0%	-
Equipment	-	-	-	-	100.0%	309,780
Capitalized Fixed Assets	3,817,689	1,007,717	1,038,777	1,771,195	53.6%	450,836
<b>TOTAL EXPENSES</b>	<u>4,017,755</u>	<u>1,094,615</u>	<u>1,038,777</u>	<u>1,884,363</u>	<u>53.1%</u>	<u>839,727</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**SELF INSURANCE TRUST FUND**

	<b>** Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Insurance Premiums	3,197,440	2,398,080	-	799,360	75.0%	2,355,120
Workers' Compensation Premiums	2,107,502	1,518,126	-	589,376	72.0%	1,680,793
OSH Charges	291,620	218,955	-	72,665	75.1%	190,387
Investment Income	361,434	361,231	-	203	99.9%	401,344
Miscellaneous	773	360,228	-	(359,455)	46601.3%	99,366
Accel - Return of Premium	-	750,000	-	(750,000)	100.0%	-
<b>TOTAL REVENUES</b>	<b>5,958,769</b>	<b>5,606,620</b>	<b>-</b>	<b>352,149</b>	<b>94.1%</b>	<b>4,727,009</b>
<b>EXPENSES</b>						
Salaries & Benefits	633,005	383,126	-	249,879	60.5%	361,782
Materials, Supplies & Services	5,831,537	3,131,399	211,882	2,488,256	57.3%	3,772,687
Special Projects	-	-	-	-	100.0%	6
Transfers-Out	2,589,851	1,589,853	-	999,998	61.4%	-
Capital Outlay Transfers	2,137	2,137	-	-	100.0%	3,185
Equipment	6,300	-	1,023	5,277	16.2%	240
<b>TOTAL EXPENSES</b>	<b>9,062,830</b>	<b>5,106,515</b>	<b>212,904</b>	<b>3,743,410</b>	<b>58.7%</b>	<b>4,137,900</b>

**\*\* The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.**

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**INFORMATION SYSTEMS ICS FUND**

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
<b>REVENUES</b>						
Service charges	2,542,887	1,939,058	-	603,829	76.3%	1,870,058
Miscellaneous	3,797	10,526	-	(6,729)	277.2%	-
<b>TOTAL REVENUES</b>	<u>2,546,684</u>	<u>1,949,584</u>	<u>-</u>	<u>597,100</u>	<u>76.6%</u>	<u>1,870,058</u>
<b>EXPENSES</b>						
Salaries & Benefits	1,734,048	1,197,402	-	536,646	69.1%	1,137,817
Materials, Supplies & Services	654,342	502,242	88,039	64,061	90.2%	458,163
Special Projects	4,979	(9,158)	-	14,137	-183.9%	3,750
Transfers-Out	107,983	55,000	-	52,983	50.9%	-
Capital Outlay Transfers	85,000	63,750	-	21,250	75.0%	-
Equipment	268,279	75,159	177,077	16,043	94.0%	274,509
Capitalized Fixed Assets	-	488	-	(488)	100.0%	511
Appropriated Reserve	13,433	-	-	13,433	0.0%	-
<b>TOTAL EXPENSES</b>	<u>2,868,065</u>	<u>1,884,885</u>	<u>265,116</u>	<u>718,064</u>	<u>75.0%</u>	<u>1,874,749</u>

**CITY OF SANTA BARBARA**  
**Interim Statement of Revenues and Expenses**  
**For the Nine Months Ended March 31, 2009 (75% of Fiscal Year)**

**WATERFRONT FUND**

	<b>Annual Budget</b>	<b>YTD Actual</b>	<b>Encum- brances</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Previous YTD</b>
<b>REVENUES</b>						
Leases - Commercial	1,428,020	1,114,494	-	313,526	78.0%	1,108,758
Leases - Food Service	2,410,338	1,824,724	-	585,614	75.7%	1,874,614
Slip Rental Fees	3,535,370	2,644,270	-	891,100	74.8%	2,595,159
Visitors Fees	442,690	385,765	-	56,925	87.1%	384,719
Slip Transfer Fees	688,500	228,750	-	459,750	33.2%	451,775
Parking Revenue	1,588,639	1,178,477	-	410,162	74.2%	1,199,128
Wharf Parking	280,500	175,809	-	104,691	62.7%	176,431
Other Fees & Charges	361,786	279,071	-	82,715	77.1%	270,845
Investment Income	276,019	290,838	-	(14,819)	105.4%	324,475
Rents & Concessions	277,134	195,838	-	81,296	70.7%	199,555
Miscellaneous	259,880	180,760	-	79,120	69.6%	95,166
<b>TOTAL REVENUES</b>	<b>11,548,876</b>	<b>8,498,796</b>	<b>-</b>	<b>3,050,080</b>	<b>73.6%</b>	<b>8,680,626</b>
<b>EXPENSES</b>						
Salaries & Benefits	5,495,871	3,916,336	-	1,579,535	71.3%	3,660,738
Materials, Supplies & Services	3,748,738	2,397,344	452,546	898,848	76.0%	2,494,087
Special Projects	30,393	21,634	699	8,060	73.5%	25,022
Debt Service	1,592,262	1,198,749	-	393,513	75.3%	1,194,749
Capital Outlay Transfers	926,999	649,921	-	277,078	70.1%	1,439,803
Equipment	209,584	67,567	4,299	137,719	34.3%	109,461
Capitalized Fixed Assets	15,000	-	-	15,000	0.0%	-
Appropriated Reserve	150,000	-	-	150,000	0.0%	-
<b>TOTAL EXPENSES</b>	<b>12,168,847</b>	<b>8,251,550</b>	<b>457,543</b>	<b>3,459,753</b>	<b>71.6%</b>	<b>8,923,861</b>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

**Fiscal Year 2009 Interim Financial Statements  
For the Nine Months Ended March 31, 2009 (75% of Year Elapsed)**

**General Fund Revenues**

On March 3, 2009, as part of the mid-year budget review, City Council approved adjustments to the adopted revenue budget to reflect updated projections at that time. The adjustments included a reduction in "non-departmental" tax revenues, such as sales tax, transient occupancy tax and utility users' tax, of approximately \$2.3 million. However, at mid-year, the overall net reduction to General Fund revenues was only \$1.1 million, with the significantly lower estimates in the non-departmental tax revenues offset by increased estimates for mutual aid revenue and transfers in from other funds, namely the Self-Insurance and ICS funds.

Since March, revenues have deteriorated further as a result of the protracted economic downturn. The revised year-end estimates indicate an additional \$855,000 shortfall in relation to the amended mid-year budget as indicated in the table below.

On a cash basis, General Fund revenues received as of March 31<sup>st</sup> total \$73.2 million, or 67.6% of the YTD amended budget with 75% of the fiscal year elapsed. The three year average benchmark for percent of revenues received, which allows for a seasonally adjusted comparison, is 74.4%.

<b>Summary of Revenues For the Nine Months Ended March 31, 2009 GENERAL FUND</b>							
	<b>Mid-Year Amended Budget</b>	<b>YTD Amended Budget *</b>	<b>YTD Actual</b>	<b>YTD Percent Rec'd</b>	<b>3-Yr Bench- mark</b>	<b>Revised Year-End Estimate</b>	<b>Variance to Mid-Year Budget</b>
Sales & Use Tax	19,206,432	14,404,824	\$ 13,361,504	69.6%	67.0%	\$ 18,716,000	\$ (490,432)
Property Tax	23,165,295	17,373,971	12,892,638	55.7%	54.9%	23,165,295	-
UUT	7,129,923	5,347,442	5,176,339	72.6%	74.2%	7,066,000	(63,923)
TOT	12,785,113	9,588,835	9,658,201	75.5%	75.8%	12,296,000	(489,113)
Bus License	2,258,500	1,693,875	1,829,772	81.0%	80.9%	2,258,500	-
Prop Trans Tax	333,592	250,194	222,163	66.6%	80.5%	296,200	(37,392)
<b>Total Taxes</b>	<b>64,878,855</b>	<b>48,659,141</b>	<b>43,140,617</b>	<b>66.5%</b>	<b>65.8%</b>	<b>63,797,995</b>	<b>(1,080,860)</b>
License & Permits	128,995	96,746	136,007	105.4%	75.0%	128,995	-
Fines & Forfeitures	2,646,937	1,985,203	1,984,241	75.0%	75.0%	2,646,937	-
Franchise Fee	2,937,139	2,202,854	2,234,116	76.1%	72.5%	2,990,101	52,962
Use of Money & Prop	1,920,692	1,440,519	1,367,912	71.2%	75.0%	1,920,692	-
Intergovernmental	2,312,832	1,734,624	2,374,015	102.6%	75.0%	2,485,632	172,800
Fee & Charges	18,562,096	13,921,572	13,504,800	72.8%	75.0%	18,562,096	-
Miscellaneous	12,414,261	9,310,696	8,409,114	67.7%	75.0%	12,414,261	-
Budgeted Y-E var.	2,420,494	1,815,371	-	0.0%	75.0%	2,420,494	-
<b>Total Other</b>	<b>43,343,446</b>	<b>32,507,585</b>	<b>30,010,205</b>	<b>69.2%</b>	<b>74.8%</b>	<b>43,569,208</b>	<b>225,762</b>
<b>Total Revenues</b>	<b>\$ 108,222,301</b>	<b>\$ 81,166,726</b>	<b>\$ 73,150,822</b>	<b>67.6%</b>	<b>69.4%</b>	<b>\$ 107,367,203</b>	<b>\$ (855,099)</b>

\* YTD Budget is calculated on a straight-line basis for all revenues based on the number of months elapsed.

***Fiscal Year 2009 Interim Financial Statements  
For the Nine Months Ended March 31, 2009 (75% of Year Elapsed)***

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General Fund major revenues are discussed below.

**Sales and Use Taxes**

Budgeted sales tax revenues were reduced by approximately \$1.6 million in March (mid-year) to reflect the impact of the recession on our revenues. This adjustment was made in anticipation of continued sales tax decline through the remainder of the year. Although sales tax revenues are above the year-to-date benchmark through the first nine months on a cash basis, staff projects that sales and use tax revenues will end the fiscal year \$490,000 below the amended budget.

**Property Taxes**

As shown in the table, property tax revenues are significantly under the YTD budget at March 31. However, this variance is not considered significant because the second major installment of property tax is received from the County in April and the revenue through March 31 is slightly ahead of the seasonally adjusted three-year benchmark. Staff expects property tax revenue will meet the amended budget. Within the property tax category, supplemental taxes will also meet the \$500,000 budget based on supplemental taxes received through March 31.

**Utility Users Taxes**

A utility users' tax (UUT) is applied to utilities, including water, cable television, telephone, electricity, refuse, and natural gas. By ordinance, 50% of all most UUT revenues are restricted for streets maintenance and capital and are reported directly in the Streets Fund. Budgeted UUT revenues were increased \$164,000 in March based on year-end projections. Due to third quarter growth realized in the telephone, cable and refuse sectors, revised staff projections indicate that UUT revenues will end the year approximately \$64,000 above the amended budget.

**Transient Occupancy Taxes**

At mid-year, the budget for Transient Occupancy tax (TOT) was reduced by \$549,000. As of March 31, 2009, \$9.7 million in TOT revenues have been received. After the mid-year adjustment, TOT revenue is tracking at 75.5% of the amended budget (on a cash basis) through the first 9 months of the fiscal year. However, with the recent declines in both tourist and business travel to the City, staff estimates that by year-end, TOT is projected to fall \$489,000 below the amended budget.

**Intergovernmental**

At March 31<sup>st</sup>, intergovernmental revenue is approximately \$639,000 ahead of the year-to-date budget, due entirely to Fire Department mutual aid revenue received in excess of the amount contained in the mid-year amended budget. By the end of the year, it is expected that mutual aid revenue will exceed the amended budget by approximately \$310,800.

Intergovernmental revenue also includes vehicle license fee (VLF) revenue which is expected to end the year approximately \$138,000 below the amended budget. This is due to lower VLF collections statewide with the declines in new car sales, as well as increases in the DMV

***Fiscal Year 2009 Interim Financial Statements  
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administrative costs, which are deducted from entirely from the cities' 25% share VLF revenues before apportionment.

**Franchise Fees**

Franchise fee revenues are received from companies that have a franchise agreement with the City. Franchise fees are slightly above the year-to-date budget at March 31 due to strong growth in franchise fees on cable and natural gas which was unanticipated at mid-year. The franchise fee revenue estimate was reduced by \$58,261 at mid year; however, staff expects franchise fees to come in approximately \$53,000 above the amended budget by year end due to the favorable increase seen in the third quarter.

**Use of Money & Property**

By far the largest component of this revenue category is investment income on the City's pooled investment portfolio. There has been a steep decline in market interest rates since the start of the fiscal year. Accordingly, interest income on the pooled investments is projected to end the year approximately \$155,000 under budget. This will be offset by interest earned on EMLAP and Inter-fund loans and, therefore, staff expects revenues will meet budget by year-end.

**Fees & Service Charges**

Fees and Service Charges General Fund For the Nine Months Ended March 31, 2009							
Department	Mid-Year Amended Budget	YTD Amended Budget	YTD Actual	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 858,930	\$ 644,198	\$ 617,074	71.8%	\$ 596,982	\$ 20,092	3.4%
Community Development	4,475,017	3,356,263	3,306,572	73.9%	3,439,730	(133,158)	-3.9%
Parks & Recreation	2,555,665	1,916,749	1,603,121	62.7%	1,529,361	73,760	4.8%
Public Safety	433,055	324,791	267,919	61.9%	219,085	48,834	22.3%
Public Works	4,220,897	3,165,673	3,209,037	76.0%	3,446,032	(236,995)	-6.9%
Library	782,082	586,562	738,951	94.5%	729,146	9,805	1.3%
Reimbursements	5,236,450	3,927,338	3,762,126	71.8%	3,683,901	78,225	2.1%
Total	<u>\$ 18,562,096</u>	<u>\$ 13,921,572</u>	<u>\$ 13,504,800</u>	72.8%	<u>\$ 13,644,237</u>	<u>\$ (139,437)</u>	-1.0%

Fee & Service Charge revenue is approximately \$417,000 below the year-to-date budget at March 31, 2009. As shown in the table above, most of this unfavorable variance relates to Parks & Recreation Department, Public Safety and Reimbursements.

Parks & Recreation fee revenues were approximately \$314,000 below the YTD budget at March 31. This is viewed as a temporary variance that will decrease in the next 60 days as registrations for summer camps begin. Staff projects that the year-end revenues will end the year approximately \$110,000 below budget; however, this shortfall will be completely offset by expenditure reductions.

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Reimbursements include reimbursement to the General Fund for expenditures made for the benefit of other funds such as the Redevelopment Agency (RDA), the Water Fund, and the Airport Fund, as well as some outside agencies. Reimbursement revenues were approximately \$165,000 below the YTD budget at March 31 primarily due to reimbursements from the RDA and outside law enforcement agencies for the CLETS system. RDA reimbursements are made based upon actual expenditures each month. Actual expenditures have been lower than the budgeted amount and, accordingly, the reimbursements are below the YTD budget. Additionally, not all of the reimbursable costs are incurred ratably so there are some temporary variances throughout the year. CLETS reimbursements are made once a year in June so there is a \$42,000 negative revenue variance at March 31.

Library fees are ahead of the YTD budget due to payments received from Santa Barbara County in January. These fees are usually received twice per year and result in temporary variances throughout the year.

**General Fund Expenditures**

The table below summarizes the General Fund budget and year-to-date expenditures through March 31, 2009. The Annual Budget column represents the amended budget, which includes appropriation carryovers from the prior year, as well as any supplemental appropriations approved by Council in the current year. As shown in the table below, a year-to-date budget (labeled "YTD Budget") column is included. This represents 75% of the annual budget to coincide with 9 out of 12 months in the fiscal year having elapsed. Unlike revenues, where the collection rate during the year is seasonally affected, most expenditures tend to be incurred fairly evenly throughout the year.

SUMMARY OF EXPENDITURES GENERAL FUND For the Nine Months Ended March 31, 2009							
Department	Annual Budget	YTD Budget	YTD Actual	Variance Without Encumbrance	Encum- brance	Variance With Encumbrance Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 857,792	\$ 643,344	\$ 597,427	\$ 45,917	\$ 758	\$ 45,159	5.3%
City Attorney	2,230,025	1,672,519	1,579,788	92,731	-	92,731	4.2%
City Administrator	2,324,004	1,743,003	1,606,269	136,734	63,743	72,991	3.1%
Administrative Svs.	2,220,288	1,665,216	1,436,976	228,240	46,373	181,867	8.2%
Finance	5,239,090	3,929,318	3,570,513	358,805	85,330	273,475	5.2%
Police	33,462,918	25,097,189	25,061,729	35,459	151,567	(116,108)	-0.3%
Fire	21,271,213	15,953,410	15,640,151	313,259	129,636	183,623	0.9%
Public Works	7,234,204	5,425,653	4,916,581	509,072	146,184	362,888	5.0%
Parks & Recreation	16,055,940	12,041,955	11,188,548	853,407	480,110	373,297	2.3%
Library	4,617,285	3,462,964	3,273,376	189,588	41,239	148,349	3.2%
Community Dev.	11,496,500	8,622,375	8,126,120	496,255	333,043	163,212	1.4%
Non-Departmental	3,819,865	2,864,899	2,704,301	160,598	-	160,598	4.2%
Total	<u>\$ 110,829,125</u>	<u>\$ 83,121,844</u>	<u>\$ 79,701,780</u>	<u>\$ 3,420,064</u>	<u>\$ 1,477,984</u>	<u>\$ 1,942,080</u>	1.8%
% of annual budget		75.0%	71.9%	3.1%	1.3%	1.8%	

The amended annual budget totals approximately \$110.8 million, and the year-to-date budget is calculated at \$83.1 million (75%). Actual expenditures of \$79.7 million were \$3.4 million below the YTD budget at March 31. As shown in the schedule above, all departmental expenditures are within the YTD budget at March 31 with only Police exceeding the YTD budget when including encumbrances in the analysis. Actual expenditures, combined with almost \$1.5 million



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in encumbrances, resulted in an overall favorable YTD budget variance of \$1.9 million (1.8%) at March 31. Encumbrances consist of amounts carried forward from the prior year and current year encumbered contracts for materials and services, such as financial audits, maintenance, and attorney services that will be performed throughout the remainder of this fiscal year.

Due to the tough economic situation facing the City, all departments have been given an expenditure savings target for this fiscal year. The total savings target for the General Fund is \$3,500,000. This “reduction” will be accomplished through a combination of revenues in excess of budget and expenditures under budget. The \$3.4 million positive budget variance through three quarters reflects the departmental efforts to meet the reduction target as well as approximately \$1.6 million salary & benefit variance due to the timing of payrolls through March 31. Only 73% of pay dates (19 of 26) have occurred through nine months compared to 75% of the fiscal year having elapsed through March 31. Other salary & benefit cost savings are due to vacancies in key positions, under-filling certain positions, and positions held vacant under the City’s hiring freeze. All departments will be closely monitoring expenditures throughout the remainder of the year so that expenditures end the year under the targeted savings.

Police Department expenditures, including encumbrances, were approximately \$116,000 over the YTD budget at March 31. However, the negative variance would have been greater without the temporary positive variance due to the timing of payroll dates. The department had a \$542,000 temporary positive variance in salary & benefit expenditures at March 31. The department has over-hired this year to cover anticipated retirements and to provide increased police presence in the City. The Department will realize some salary saving in the final three months of the year but additional appropriations will likely be needed to cover the projected negative variance from salary & benefits before year-end. At March 31, staff is projecting a negative year-end expenditure variance of approximately \$310,000. Staff is projecting a positive revenue variance of approximately \$280,000 that will be used to offset a portion of the projected negative expenditure variance. Staff will continue to monitor the departmental expenditures for the next two months and, if necessary, request a supplemental appropriation.

Fire Department expenditures were almost \$184,000 (0.9%) under the YTD budget at March 31 with approximately \$171,000 of the variance due to the timing of payroll dates. Department staff is projecting that expenditures will end the year in line with budget and no additional appropriations will be required unless department personnel need to respond to any serious fire incidents before year end. The required savings for the department will be achieved primarily from mutual aid revenues that will exceed the budgeted amount.

### **Enterprise Fund Revenues**

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Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are primarily financed from user fees. The table below summarizes Enterprise Fund revenues through March 31, 2009, with a comparison to budget and prior year revenues. Note that the “YTD Budget” column has been calculated based on a 3-year average collection rate through March 31. This rate, which is shown as a percentage in the “3 Year Average Rec’d” column, has been applied to the annual budget amount to arrive at the YTD Budget. This approach is used in recognition that enterprise fund revenues are seasonally affected and are generally not received evenly throughout the year. Therefore, adjusting the budget for seasonal variations facilitates the comparison to YTD revenues.

**Fiscal Year 2009 Interim Financial Statements**  
**For the Nine Months Ended March 31, 2009 (75% of Year Elapsed)**

As shown in the table below, revenues of all funds except the Downtown Parking and Waterfront Funds exceeded the YTD budget at March 31. The more significant variances will be discussed below.

<b>SUMMARY OF REVENUES &amp; EXPENSES</b> <b>Nine Months Ended March 31, 2009</b> <b>ENTERPRISE FUNDS</b>								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent Rec'd	3 Year Average Rec'd	YTD Actual	% Variance
<b>Water Fund</b>								
Revenues	\$ 32,643,840	\$ 24,378,420	\$ 25,391,849	\$ 1,013,429	77.8%	74.7%	\$ 24,872,180	2.1%
Expenses **	36,343,207	27,257,405	26,971,397	286,008	74.2%	75.0%	24,515,191	10.0%
<b>Wastewater Fund</b>								
Revenues	14,975,942	11,258,913	11,365,270	106,357	75.9%	75.2%	10,525,373	8.0%
Expenses **	15,406,773	11,555,080	11,085,269	469,811	72.0%	75.0%	10,444,442	6.1%
<b>Downtown Parking Fund</b>								
Revenues	7,484,980	5,493,975	5,071,325	(422,650)	67.8%	73.4%	5,314,937	-4.6%
Expenses **	6,676,751	5,007,563	6,105,231	(1,097,668)	91.4%	75.0%	5,587,163	9.3%
<b>Airport Fund</b>								
Revenues	12,892,002	9,482,067	9,910,201	428,134	76.9%	73.6%	10,005,142	-0.9%
Expenses **	15,310,907	11,483,180	11,187,289	295,891	73.1%	75.0%	11,596,458	-3.5%
<b>Golf Fund</b>								
Revenues	2,695,570	1,926,254	1,954,276	28,022	72.5%	71.5%	1,634,832	19.5%
Expenses **	3,349,846	2,512,385	2,358,109	154,276	70.4%	75.0%	2,333,192	1.1%
<b>Waterfront Fund</b>								
Revenues	11,548,876	8,665,122	8,498,796	(166,326)	73.6%	75.0%	8,680,626	-2.1%
Expenses **	12,168,847	9,126,635	8,709,093	417,542	71.6%	75.0%	9,425,083	-7.6%
* Revenues in the YTD Budget column have been calculated based on a 3-year average collection rate through March 31, which has been applied to the annual budget.								
** Expenses include encumbrances at March 31.								

**Water Fund** revenues were 3.1% (\$1 million) above the YTD budget at March 31. Approximately \$487,000 (1.5%) of this variance is from metered water sales while the remaining variance is primarily due to reimbursements from our joint powers agreement partners. The City receives reimbursements from Montecito Water and Carpinteria Water for their respective share of operating the Cater Treatment Plant. Recent wildfires have caused increased treatment costs to the City which resulted in increased reimbursement from the other cities. The variance from metered water sales is due to usage in excess of the amounts that were estimated when the budget was prepared. A significant factor in this increased water usage is the warm, dry weather that we have been experiencing this year.

**Downtown Parking Fund** revenues were almost \$423,000 (5.6%) below the YTD budget at March 31, 2009. This is almost entirely due to hourly parking revenues falling below the original estimate. The actual number of hourly parking transactions is below the estimate and revenues

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are expected to end the year approximately \$309,000 below the annual budget. Department staff projected revenues based on 4.7 million parking transactions for the year but actual transactions are estimated at slightly more than 4.1 million. Revenue shortfalls will be offset by expense savings, primarily by delaying the timing of capital projects.

**Waterfront Fund** revenues were \$166,326 (1.4%) below the YTD budget at March 31. This negative variance is primarily due to slip transfer fee revenue coming in almost 6.8% under budget. The current economic conditions, which include a tight credit market, have affected the sale/purchase of slips, and slips are not changing hands as much as anticipated when the budget was prepared. Revenue shortfalls will be offset by expense savings.

### **Enterprise Fund Expenses**

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Enterprise fund encumbrances and expenses through March 31, 2009, with a comparison to budget and actual, are summarized in the table above. The column labeled "YTD Budget" represents 75% of the annual budget column. Although many expenses tend to be incurred fairly evenly throughout the year, there are some expenses that do not occur evenly during the year. These expenses, such as debt service and capital projects can create significant temporary variances from the YTD budget during the year. The more significant expense variances will be discussed below.

Salary & benefit cost savings account for a significant portion of the positive expense variances in all of the enterprise funds. As previously noted, there is a temporary variance in salary & benefit costs at March 31; however, salary & benefit savings exceed the temporary variance in all enterprise funds. This variance is due to positions that have not been filled and positions that have been held open pursuant to the City's hiring freeze.

**Downtown Parking Fund** expenses are almost \$1.1 million (16.4%) above the year-to-date budget at March 31. This is a temporary negative variance that will be resolved in April. This relates to \$1.1 million that has been encumbered for several long-term capital projects that are budgeted and will be completed over the next few years. The budget and actual expenses for these capital projects were transferred to the newly created Downtown Parking Capital Fund in March 2009. The purchase orders and contracts that have been encumbered were not able to be moved to the new fund until April and resulted in this temporary variance. The fund will have expenditure savings in excess of the projected revenue shortfall.

**Waterfront Fund** expenses are almost \$418,000 (3.4%) below the YTD budget at March 31. Savings in salaries & benefits account for approximately \$206,000 of the variance. The remaining positive variance is due to the \$150,000 appropriated reserve that has not been spent and other small variances spread throughout several line items in the budget. Department personnel are reducing expenses where appropriate to offset the negative revenue variance that was previously discussed.